

SUMMARY ANALYSIS OF AMENDED BILL

Franchise Tax Board

Author: Laird Analyst: Rachel Coco Bill Number: AB 2722

Related Bills: See Prior Analysis Telephone: 845-4328 Amended Date: April 1, 2004

Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: Natural Heritage Preservation Tax Credit/State Entity Property Acquisitions/Bond Funds/FTB Provide Information Regarding Credits Claimed

DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended _____.

☒ AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as introduced/amended _____.

FURTHER AMENDMENTS NECESSARY.

DEPARTMENT POSITION CHANGED TO _____.

REMAINDER OF PREVIOUS ANALYSIS OF BILL AS INTRODUCED

☒ February 20, 2004, STILL APPLIES.

OTHER - See comments below.

SUMMARY

For purposes of the Natural Heritage Preservation tax credit, this bill would:

- allow the Wildlife Conservation Board (WCB), subject to limitations, to award credits in excess of the current dollar limitation and award the credit in subsequent years,
- allow bond funds to be used as a reimbursement mechanism for the General Fund (GF),
- require signed authorization by the taxpayer for the Franchise Tax Board (FTB) to disclose certain confidential taxpayer information to the WCB, and
- require FTB to report to the WCB the amount of the tax credit claimed for purposes of reimbursing the GF.

SUMMARY OF AMENDMENTS

The April 1, 2004, amendments would allow the WCB to award the Natural Heritage Preservation tax credits 1) in excess of the current \$100 million limitation, and 2) after fiscal year 2004/2005, but only if the amounts awarded over \$100 million are reimbursed to the General Fund through other revenue sources.

In addition, the April 1, 2004, amendments would make several nonsubstantive changes.

As a result of the amendments, the "This Bill" and "Revenue Impact" discussions in the analysis of the bill as introduced February 20, 2004, have been revised and are included below. The remainder of the department's analysis of the bill as introduced February 20, 2004, still applies.

Board Position:

_____ S	_____ NA	_____ NP
_____ SA	_____ O	_____ NAR
_____ N	_____ OUA	<input checked="" type="checkbox"/> PENDING

Legislative Director

Date

Jana Howard for Brian Putler

4/7/04

POSITION

Pending.

THIS BILL

This bill would allow the WCB to award tax credits in excess of the current \$100 million aggregate limitation. This bill would delete the current 2004/2005 fiscal year limitation, and instead would allow the WCB authority to issue tax credits indefinitely. This bill would specify that credits would only be awarded if the amount of the tax credits were reimbursed to the GF through other revenue sources.

This bill would allow the use of bond funds to reimburse the GF for the amount of the tax credit allowed for the acquired property. The department or local agency acquiring the donated property would be required to make the reimbursement by transferring the bond funds to the Natural Heritage Tax Credit Reimbursement Account created within the GF by this bill. The transfer would be made based on information provided by FTB regarding the amount of the Natural Heritage Preservation tax credits claimed that tax year.

This bill would specify that the application of the prospective property donor may not be accepted unless it includes a signed authorization allowing FTB to disclose to the WCB information necessary to reimburse the GF. The signed authorization would be in a form and manner mutually agreeable to FTB and the WCB.

For purposes of reimbursing the GF, this bill would require FTB to provide the WCB the amount of the Natural Heritage Preservation tax credits claimed during that year for each qualified contribution.

ECONOMIC IMPACT

Revenue Discussion

Since this bill requires the GF to be reimbursed for any tax credits awarded over the current \$100 million limitation, this bill would not impact the state's income tax revenue.

LEGISLATIVE STAFF CONTACT

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